### FIRST REGULAR SESSION

#### [TRULY AGREED TO AND FINALLY PASSED]

SENATE SUBSTITUTE NO. 6 FOR

SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 389

## 94TH GENERAL ASSEMBLY

2007

1654S.33T

## AN ACT

To repeal sections 160.254, 173.005, 173.200, 173.203, 173.205, 173.210, 173.215, 173.220, 173.225, 173.230, 173.250, 173.355, 173.360, 173.385, 173.425, 173.616, 173.810, 173.813, 173.816, 173.820, 173.825, 173.827, 173.830, and 313.835, RSMo, and to enact in lieu thereof thirty-one new sections relating to higher education, with penalty provisions.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 160.254, 173.005, 173.200, 173.203, 173.205, 173.210,

- 2 173.215, 173.220, 173.225, 173.230, 173.250, 173.355, 173.360, 173.385, 173.425,
- 3 173.616, 173.810, 173.813, 173.816, 173.820, 173.825, 173.827, 173.830, and
- 4 313.835, RSMo, are repealed and thirty-one new sections enacted in lieu thereof,
- 5 to be known as sections 160.254, 168.700, 168.702, 172.950, 173.005, 173.093,
- $6\ 173.125, 173.250, 173.355, 173.360, 173.385, 173.386, 173.392, 173.393, 173.425,$
- 7 173.475, 173.616, 173.1000, 173.1003, 173.1004, 173.1006, 173.1101, 173.1102,
- 8 173.1103, 173.1104, 173.1105, 173.1106, 173.1107, 173.1108, 313.835, and 1, to
- 9 read as follows:

160.254. 1. There is hereby established a joint committee of the general

- 2 assembly, which shall be known as the "Joint Committee on Education", which
- 3 shall be composed of seven members of the senate and seven members of the
- 4 house of representatives. The senate members of the committee shall be
- 5 appointed by the president pro tem of the senate and the house members by the
- 6 speaker of the house.

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2. The committee [may] shall meet [and function in any year that the

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

- 8 president pro tem of the senate and the speaker of the house of representatives
- 9 appoint members to serve on the committee] at least twice a year. In the event
- 10 of three consecutive absences on the part of any member, such member may be
- 11 removed from the committee.
- 12 3. The committee shall select either a chairman or cochairmen, one of
- 13 whom shall be a member of the senate and one a member of the house. A
- 14 majority of the members shall constitute a quorum. Meetings of the committee
- 15 may be called at such time and place as the chairman or chairmen designate.
- 16 4. The committee shall:
- 17 (1) Review and monitor the progress of education in the state's public
- 18 schools and institutions of higher education;
- 19 (2) Receive reports from the commissioner of education concerning the
- 20 public schools and from the commissioner of higher education concerning
- 21 institutions of higher education;
- 22 (3) Conduct a study and analysis of the public school system;
- 23 (4) Make recommendations to the general assembly for legislative action;
- 24 [and]
- 25 (5) Conduct an in-depth study concerning all issues relating to the equity
- 26 and adequacy of the distribution of state school aid, teachers' salaries, funding
- 27 for school buildings, and overall funding levels for schools and any other
- 28 education funding-related issues the committee deems relevant;
- 29 (6) Monitor the establishment of performance measures as
- 30 required by section 173.1006, RSMo, and report on their establishment
- 31 to the governor and the general assembly;
- 32 (7) Conduct studies and analysis regarding:
- 33 (a) The higher education system, including financing public
- 34 higher education and the provision of financial aid for higher
- 35 education; and
- 36 (b) The feasibility of including students enrolled in proprietary
- 37 schools, as that term is defined in section 173.600, RSMo, in all state-
- 38 based financial aid programs;
- 39 (8) Annually review the collection of information under section
- 40 173.093, RSMo, to facilitate a more accurate comparison of the actual
- 41 costs at public and private higher education institutions;
- 42 (9) Within three years of the effective date of this act, review a
- 43 new model for the funding of public higher education institutions upon

44 submission of such model by the coordinating board for higher 45 education;

- 46 (10) Within three years of the effective date of this act, review 47 the impact of the higher education student funding act established in 48 sections 173.1000 to 173.1006.
- 5. The committee may make reasonable requests for staff assistance from the research and appropriations staffs of the house and senate and the committee on legislative research, as well as the department of elementary and secondary education, the department of higher education, the coordinating board for higher education, the state tax commission, the department of economic development, all school districts and other political subdivisions of this state, teachers and teacher groups, business and other commercial interests and any other interested persons.
- 6. Members of the committee shall receive no compensation but may be reimbursed for reasonable and necessary expenses associated with the performance of their official duties.
- 168.700. 1. This act shall be known, and may be cited, as the 2 "Missouri Teaching Fellows Program".
  - 2. As used in this section, the following terms shall mean:
- 4 (1) "Department", the Missouri department of higher education;
- 5 (2) "Eligible applicant": a high school senior who:
- 6 (a) Is a United States citizen;
- (b) Has a cumulative grade point average ranking in the top ten
  percentile in their graduating class and scores in the top twenty
  percentile on either the ACT or SAT assessment; or has a cumulative
  grade point average ranking in the top twenty percentile in their
  graduating class and scores in the top ten percentile of the ACT or SAT
  assessment;
- 13 (c) Upon graduation from high school, attends a Missouri higher 14 education institution and attains a teaching certificate and either a 15 bachelors or graduate degree with a cumulative grade point average of 16 at least 3.0 on a 4 point scale or equivalent;
- 17 (d) Signs an agreement with the department in which the 18 applicant agrees to engage in qualified employment upon graduation 19 from a higher education institution for five years; and
- 20 (e) Upon graduation from the higher education institution, 21 engages in qualified employment;

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- 22 (3) "Qualified employment", employment as a teacher in a school 23located in a school district that is not classified as accredited by the state board of education at the time the eligible applicant signs their first contract to teach in such district. Preference in choosing schools 25to receive participating teachers shall be given to schools in such 26school districts with a higher than the state average of students eligible 27to receive a reduced lunch price under the National School Act, 42 28U.S.C. Section 1751 et seq., as amended; 29
  - (4) "Teacher", any employee of a school district, regularly required to be certified under laws relating to the certification of teachers, except superintendents and assistant superintendents but including certified teachers who teach at the prekindergarten level within a prekindergarten program in which no fees are charged to parents or guardians.
- 3. Within the limits of amounts appropriated therefor, the department shall, upon proper verification to the department by an eligible applicant and the school district in which the applicant is engaged in qualified employment, enter into a one-year contract with eligible applicants to repay the interest and principal on the educational loans of the applicants or provide a stipend to the applicant as provided in subsection 4 of this section. The department may enter into subsequent one-year contracts with eligible applicants, not to total more than five such contracts. The fifth one-year contract shall provide for a stipend to such applicants as provided in subsection 4 of this section. If the school district becomes accredited at any time during which the eligible applicant is teaching at a school under a contract entered into pursuant to this section, nothing in this section shall preclude the department and the eligible applicant from entering 50 into subsequent contracts to teach within the school district. An eligible applicant who does not enter into a contract with the department under the provisions of this subsection shall not be eligible for repayment of educational loans or a stipend under the provisions of subsection 4 of this section.
- 55 4. At the conclusion of each of the first four academic years that an eligible applicant engages in qualified employment, up to one-fourth 56of the eligible applicant's educational loans, not to exceed five 57thousand dollars per year, shall be repaid under terms provided in the 58

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contract. For applicants without any educational loans, the applicant 59 60 may receive a stipend of up to five thousand dollars at the conclusion of each of the first four academic years that the eligible applicant engages in qualified employment. At the conclusion of the fifth 6263 academic year that an eligible applicant engages in qualified employment, a stipend in an amount equal to one thousand dollars shall 64 be granted to the eligible applicant. The maximum of five thousand 65 dollars per year and the stipend of one thousand dollars shall be 66 adjusted annually by the same percentage as the increase in the 67 general price level as measured by the Consumer Price Index for All 68 Urban Consumers for the United States, or its successor index, as 69 defined and officially recorded by the United States Department of 70 Labor or its successor agency. The amount of any repayment of 71educational loans or the issuance of a stipend under this subsection 72shall not exceed the actual cost of tuition, required fees, and room and 74board for the eligible applicant at the institution of higher education from which the eligible applicant graduated. 75

- 5. The department shall maintain a "Missouri Teaching Fellows Program" coordinator position, the main responsibility of which shall be the identification, recruitment, and selection of potential students meeting the requirements of paragraph (b) of subdivision (2) of subsection 2 of this section. In selecting potential students, the coordinator shall give preference to applicants that represent a variety of racial backgrounds in order to ensure a diverse group of eligible applicants.
- 6. The department shall promulgate rules to enforce the provisions of this section, including, but not be limited to: applicant eligibility, selection criteria, and the content of loan repayment contracts. If the number of applicants exceeds the revenues available for loan repayment or stipends, priority shall be to those applicants with the highest high school grade point average and highest scores on the ACT or SAT assessments.
- 7. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable

and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

- 8. There is hereby created in the state treasury the "Missouri Teaching Fellows Program Fund". The state treasurer shall be custodian of the fund and may approve disbursements from the fund in accordance with sections 30.170 and 30.180, RSMo. Private donations, federal grants, and other funds provided for the implementation of this section shall be placed in the Missouri teaching fellows program fund. Upon appropriation, money in the fund shall be used solely for the repayment of loans and the payment of stipends under the provisions of this section. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.
- 9. Subject to appropriations, the general assembly shall include an amount necessary to properly fund this section, not to exceed one million dollars in any fiscal year. The maximum of one million dollars in any fiscal year shall be adjusted annually by the same percentage as the increase in the general price level as measured by the Consumer Price Index for All Urban Consumers for the United States, or its successor index, as defined and officially recorded by the United States Department of Labor or its successor agency.

168.702. Pursuant to section 23.253, RSMo, of the Missouri Sunset

2 Act:

- (1) Any new program authorized under section 168.700 shall automatically sunset six years after the effective date of this act unless reauthorized by an act of the general assembly; and
- 6 (2) If such program is reauthorized, the program authorized 7 under section 168.700 shall automatically sunset twelve years after the 8 effective date of the reauthorization of this act; and
- 9 (3) Section 168.700 shall terminate on September first of the calendar year immediately following the calendar year in which a

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11 program authorized under section 168.700 is sunset.

172.950. Notwithstanding any provision of law, the curators of the University of Missouri may close the following records as they relate to a donor or potential donor:

- 4 (1) Any credit report, banking information, or personal financial 5 documents, including legal documents that are part of an estate plan 6 that is provided to the institution by the donor or potential donor;
- 7 (2) Any tax return or other personal financial information that 8 federal or Missouri taxing authorities are allowed or required to treat 9 as confidential under the federal Internal Revenue Code, Missouri 10 income tax statutes, or their respective implementing regulations.
- 173.005. 1. There is hereby created a "Department of Higher Education", 2 and the division of higher education of the department of education is abolished 3 and all its powers, duties, functions, personnel and property are transferred as 4 provided by the Reorganization Act of 1974, Appendix B, RSMo.
- 5 2. The commission on higher education is abolished and all its powers, duties, personnel and property are transferred by type I transfer to the 6 "Coordinating Board for Higher Education", which is hereby created, and the 8 coordinating board shall be the head of the department. The coordinating board shall consist of nine members appointed by the governor with the advice and 9 consent of the senate, and not more than five of its members shall be of the same 10 political party. None of the members shall be engaged professionally as an 11 educator or educational administrator with a public or private institution of 12 13 higher education at the time appointed or during his term. The other qualifications, terms and compensation of the coordinating board shall be the 14 15 same as provided by law for the curators of the University of Missouri. The 16 coordinating board may, in order to carry out the duties prescribed for it in subsections 1, 2, 3, 7, and 8 of this section, employ such professional, clerical and 17 research personnel as may be necessary to assist it in performing those duties, 18 but this staff shall not, in any fiscal year, exceed twenty-five full-time equivalent 19 employees regardless of the source of funding. In addition to all other powers, 20 duties and functions transferred to it, the coordinating board for higher education 21shall have the following duties and responsibilities: 22
  - (1) The coordinating board for higher education shall have approval of proposed new degree programs to be offered by the state institutions of higher education;

- 26 (2) The coordinating board for higher education may promote and 27 encourage the development of cooperative agreements between Missouri public four-year institutions of higher education which do not offer graduate degrees and 28 29 Missouri public four-year institutions of higher education which do offer graduate degrees for the purpose of offering graduate degree programs on campuses of 30 31 those public four-year institutions of higher education which do not otherwise 32 offer graduate degrees. Such agreements shall identify the obligations and duties 33 of the parties, including assignment of administrative responsibility. Any 34 diploma awarded for graduate degrees under such a cooperative agreement shall include the names of both institutions inscribed thereon. Any cooperative 35 agreement in place as of August 28, 2003, shall require no further approval from 36 the coordinating board for higher education. Any costs incurred with respect to 37 the administrative provisions of this subdivision may be paid from state funds 38 allocated to the institution assigned the administrative authority for the 39 program. The provisions of this subdivision shall not be construed to invalidate 40 the provisions of subdivision (1) of this subsection; 41
- 42 (3) In consultation with the heads of the institutions of higher education affected and against a background of carefully collected data on enrollment, 43 physical facilities, manpower needs, institutional missions, the coordinating board 44 45 for higher education shall establish guidelines for appropriation requests by those 46 institutions of higher education; however, other provisions of the Reorganization Act of 1974 notwithstanding, all funds shall be appropriated by the general 47 48 assembly to the governing board of each public four-year institution of higher 49 education which shall prepare expenditure budgets for the institution;
- 50 (4) No new state-supported senior colleges or residence centers shall be 51 established except as provided by law and with approval of the coordinating board 52 for higher education;
- 53 (5) The coordinating board for higher education shall establish admission 54 guidelines consistent with institutional missions;
- 55 (6) The coordinating board shall establish policies and procedures for 56 institutional decisions relating to the residence status of students;
- 57 (7) The coordinating board shall establish guidelines to promote and facilitate the transfer of students between institutions of higher education within the state and shall ensure that as of the 2008-2009 academic year, in order to receive increases in state appropriations, all approved public two- and four-year public institutions shall work with the commissioner

of higher education to establish agreed-upon competencies for all entry-level collegiate courses in English, mathematics, foreign language, sciences, and social sciences associated with an institution's general education core and that the coordinating board shall establish policies and procedures to ensure such courses are accepted in transfer among public institutions and treated as equivalent to similar courses at the receiving institutions. The department of elementary and secondary education shall align such competencies with the assessments found in section 160.518, RSMo, and successor assessments;

- (8) The coordinating board shall collect the necessary information and develop comparable data for all institutions of higher education in the state. The coordinating board shall use this information to delineate the areas of competence of each of these institutions and for any other purposes deemed appropriate by the coordinating board;
- (9) Compliance with requests from the coordinating board for institutional information and the other powers, duties and responsibilities, herein assigned to the coordinating board, shall be a prerequisite to the receipt of any funds [for] which the coordinating board is responsible for administering; [and]
- (10) If any institution of higher education in this state, public or private, willfully fails or refuses to follow any lawful guideline, policy or procedure established or prescribed by the coordinating board, or knowingly deviates from any such guideline, or knowingly acts without coordinating board approval where such approval is required, or willfully fails to comply with any other lawful order of the coordinating board, the coordinating board may, after a public hearing, withhold or direct to be withheld from that institution any funds the disbursement of which is subject to the control of the coordinating board, or may remove the approval of the institution as an "approved institution" within the meaning of section [173.205, but] 173.1102. If any such public institution willfully disregards board policy, the commissioner of higher education may order such institution to remit a fine in an amount not to exceed one percent of the institution's current fiscal year state operating appropriation to the board. The board shall hold such funds until such time that the institution, as determined by the commissioner of higher education, corrects the violation, at which time the board shall refund such amount to the institution. If the commissioner determines that the institution has not redressed the violation within one year, the fine

- 98 amount shall be deposited into the general revenue fund, unless the
- 99 institution appeals such decision to the full coordinating board, which
- 100 shall have the authority to make a binding and final decision, by means
- 101 of a majority vote, regarding the matter. However, nothing in this section
- 102 shall prevent any institution of higher education in this state from presenting
- 103 additional budget requests or from explaining or further clarifying its budget
- 104 requests to the governor or the general assembly[.]; and
- 105 (11) (a) As used in this subdivision, the term "out-of-state public
- 106 institution of higher education" shall mean an education institution
- 107 located outside of Missouri that:
- a. Is controlled or administered directly by a public agency or
- 109 political subdivision or is classified as a public institution by the state;
- b. Receives appropriations for operating expenses directly or
- 111 indirectly from a state other than Missouri;
- 112 c. Provides a postsecondary course of instruction at least six
- 113 months in length leading to or directly creditable toward a degree or
- 114 certificate;
- d. Meets the standards for accreditation by an accrediting body
- 116 recognized by the United States Department of Education or any
- 117 successor agency; and
- 118 e. Permits faculty members to select textbooks without influence
- 119 or pressure by any religious or sectarian source.
- (b) No later than July 1, 2008, the coordinating board shall
- 121 promulgate rules regarding:
- a. The board's approval process of proposed new degree
- 123 programs and course offerings by any out-of-state public institution of
- 124 higher education seeking to offer degree programs or course work
- 125 within the state of Missouri; and
- 126 b. The board's approval process of degree programs and courses
- 127 offered by any out-of-state public institutions of higher education that,
- 128 prior to July 1, 2008, were approved by the board to operate a school
- 129 in compliance with the provisions of sections 173.600 to 173.618.
- 130 The rules shall ensure that, as of July 1, 2008, all out-of-state public
- 131 institutions seeking to offer degrees and courses within the state of
- 132 Missouri are evaluated in a manner similar to Missouri public higher
- 133 education institutions. Such out-of-state public institutions shall be
- 134 held to standards no lower than the standards established by the

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135 coordinating board for program approval and the policy guidelines of 136 the coordinating board for data collection, cooperation, and resolution of disputes between Missouri institutions of higher education under 137 138 this section. Any such out-of-state public institutions of higher 139 education wishing to continue operating within this state must be approved by the board under the rules promulgated under this 140 subdivision. Any rule or portion of a rule, as that term is defined in 141 142 section 536.010, RSMo, that is created under the authority delegated in 143 this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, 144 section 536.028, RSMo. This section and chapter 536, RSMo, are 145nonseverable and if any of the powers vested with the general assembly 146 under chapter 536, RSMo, to review, to delay the effective date, or to 147disapprove and annul a rule are subsequently held unconstitutional, 148 then the grant of rulemaking authority and any rule proposed or 149 150 adopted after August 28, 2007, shall be invalid and void.

- (c) Nothing in this subdivision or in section 173.616 shall be construed or interpreted so that students attending an out-of-state public institution are considered to be attending a Missouri public institution of higher education for purposes of obtaining student financial assistance.
- 156 3. The coordinating board shall meet at least four times annually with an 157 advisory committee who shall be notified in advance of such meetings. The coordinating board shall have exclusive voting privileges. The advisory 158 committee shall consist of thirty-two members, who shall be the president or 159 160 other chief administrative officer of the University of Missouri; the chancellor of each campus of the University of Missouri; the president of each state-supported 161 162 four-year college or university, including Harris-Stowe State University, Missouri 163 Southern State University, Missouri Western State University, and Lincoln University; the president of Linn State Technical College; the president or 164 165 chancellor of each public community college district; and representatives of each 166 of five accredited private institutions selected biennially, under the supervision 167 of the coordinating board, by the presidents of all of the state's privately supported institutions; but always to include at least one representative from one 168 169 privately supported junior college, one privately supported four-year college, and one privately supported university. The conferences shall enable the committee 170

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- to advise the coordinating board of the views of the institutions on matters within 172 the purview of the coordinating board.
- 4. The University of Missouri, Lincoln University, and all other 173 174state-governed colleges and universities, chapters 172, 174 and 175, RSMo, and others, are transferred by type III transfers to the department of higher education 175176 subject to the provisions of subsection 2 of this section.
- 177 5. The state historical society, chapter 183, RSMo, is transferred by type 178 III transfer to the University of Missouri.
- 179 6. The state anatomical board, chapter 194, RSMo, is transferred by type II transfer to the department of higher education. 180
- 181 7. All the powers, duties and functions vested in the division of public schools and state board of education relating to community college state aid and 182 the supervision, formation of districts and all matters otherwise related to the 183 state's relations with community college districts and matters pertaining to 184community colleges in public school districts, chapters 163 and 178, RSMo, and 185 others, are transferred to the coordinating board for higher education by type I 186 transfer. Provided, however, that all responsibility for administering the 187 federal-state programs of vocational-technical education, except for the 1202a 188 post-secondary educational amendments of 1972 program, shall remain with the 189 190 department of elementary and secondary education. The department of 191 elementary and secondary education and the coordinating board for higher 192education shall cooperate in developing the various plans for vocational-technical 193 education; however, the ultimate responsibility will remain with the state board 194 of education.
- 195 8. The administration of sections 163.171 and 163.181, RSMo, relating to teacher-training schools in cities, is transferred by type I transfer to the 196 coordinating board for higher education. 197
- 9. All the powers, duties, functions, personnel and property of the state library and state library commission, chapter 181, RSMo, and others, are 199 transferred by type I transfer to the coordinating board for higher education, and the state library commission is abolished. The coordinating board shall appoint a state librarian who shall administer the affairs of the state library under the supervision of the board.
- 20410. All the powers, duties, functions, and properties of the state poultry experiment station, chapter 262, RSMo, are transferred by type I transfer to the 205 University of Missouri, and the state poultry association and state poultry board 206

are abolished. In the event the University of Missouri shall cease to use the real estate of the poultry experiment station for the purposes of research or shall declare the same surplus, all real estate shall revert to the governor of the state of Missouri and shall not be disposed of without legislative approval.

173.093. Actual awards of student assistance for students enrolled in approved public or private institutions of higher education in this state, as defined in section 173.1102, shall be reduced to ensure that no student receiving state need-based financial assistance shall receive financial assistance that exceeds the student's cost of attendance. Approved institutions shall comply with the provisions of this section and shall, upon request by the department of higher education, provide financial information to the department to determine compliance with the requirements of this section. An 10 approved institution that has accepted state need-based financial 11 assistance in excess of the cost of attendance as described in this 12section shall refund the excess to the coordinating board for higher education. For purposes of this section, "financial assistance" shall not 13 14 include any student loans or any awards of financial assistance based solely on a student's academic performance. 15

173.125. As a condition of receiving state funds, every public institution of higher education shall agree to submit to binding dispute resolution with regard to disputes among public institutions of higher 4 education that involve jurisdictional boundaries or the use or expenditure of any state resources whatsoever, as determined by the coordinating board. In all cases, the arbitrator shall be the commissioner of higher education or his or her designee, whose decision shall be binding on all parties. Any institution aggrieved by a decision of the commissioner may appeal such decision, in which 10 instance the case shall be reviewed by the full coordinating board, at which time the full coordinating board shall have the authority to make 11 12a binding and final decision, by means of a majority vote, regarding the 13 matter.

173.250. 1. There is hereby established a "Higher Education Academic Scholarship Program" and any moneys appropriated by the general assembly for this program shall be used to provide scholarships for Missouri citizens to attend a Missouri college or university of their choice pursuant to the provisions of this section.

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- 6 2. The definitions of terms set forth in section 173.205 shall be applicable to such terms as used in this section. The term "academic scholarship" means an amount of money paid by the state of Missouri to a qualified college or university student who has demonstrated superior academic achievement pursuant to the provisions of this section. 10
- 11 3. The coordinating board for higher education shall be the administrative 12 agency for the implementation of the program established by this section, and 13 shall:
- 14 (1) Promulgate reasonable rules and regulations for the exercise of its functions and the effectuation of the purposes of this section, including 15 regulations for granting scholarship deferments; 16
  - (2) Prescribe the form and the time and method of awarding academic scholarships, and shall supervise the processing thereof; and
- 19 (3) Select qualified recipients to receive academic scholarships, make such 20 awards of academic scholarships to qualified recipients and determine the manner and method of payment to the recipient. 21
- 22 4. A student shall be eligible for initial or renewed academic scholarship 23 if he or she is in compliance with the eligibility requirements set forth in section 173.215 excluding the requirement of financial need and undergraduate status, 2425and in addition meets the following requirements:
- (1) Initial academic scholarships shall be offered in the academic year immediately following graduation from high school to Missouri high school seniors 28 whose composite scores on the American College Testing Program (ACT) or the 29 Scholastic Aptitude Test (SAT) of the College Board are in the top [three] five percent of all Missouri students taking those tests during the school year in 30 which the scholarship recipients graduate from high school. In the freshman year of college, scholarship recipients are required to maintain status as a full-time student;
  - (2) Academic scholarships are renewable if the recipient remains in compliance with the applicable provisions of section 173.215 and the recipient makes satisfactory academic degree progress as a full-time student.
- 37 5. A student who is enrolled or has been accepted for enrollment as a 38 postsecondary student at an approved private or public institution beginning with 39 the fall, 1987, term and who meets the other eligibility requirements for an academic scholarship shall, within the limits of the funds appropriated and made 40 available, be offered an academic scholarship in the amount of two thousand

42 dollars for each eligible student whose composite scores on the 43 American College Testing Program (ACT) or the Scholastic Aptitude Test (SAT) of the College Board are in the top three percent of all 44 Missouri students taking those tests during the school year in which 45 the scholarship recipients graduate from high school for each fiscal 46 year prior to fiscal year 2011, and, subject to appropriations, three 47 thousand dollars for fiscal year 2011 and every fiscal year thereafter, 48 and one thousand dollars for fiscal year 2011 and every fiscal year 49 thereafter for each eligible student whose composite scores on the 50 American College Testing Program (ACT) or the Scholastic Aptitude 51 52Test (SAT) of the College Board are between the top five and three percent of all Missouri students taking those tests during the school 5354year in which the scholarship recipients graduate from high school, for the first academic year of study, which scholarship shall be renewable in the 55 56 amount of two thousand dollars for each eligible student whose composite scores on the American College Testing Program (ACT) or the 57 Scholastic Aptitude Test (SAT) of the College Board are in the top three 5859 percent of all Missouri students taking those tests during the school year in which the scholarship recipients graduate from high school for 60 each fiscal year prior to fiscal year 2011, and, subject to appropriations, 61 three thousand dollars for fiscal year 2011 and every fiscal year 62thereafter, and one thousand dollars for fiscal year 2011 and every 63 fiscal year thereafter for each eligible student whose composite scores 64on the American College Testing Program (ACT) or the Scholastic 65 Aptitude Test (SAT) of the College Board are between the top five and 66 three percent of all Missouri students taking those tests during the 67 school year in which the scholarship recipients graduate from high 68 school, annually for the second, third and fourth academic years or as long as 69 70 the recipient is in compliance with the applicable eligibility requirements set forth in section 173.215, provided those years of study are continuous and the 7172student continues to meet eligibility requirements for the scholarship; provided, however, if a recipient ceases all attendance at an approved public or private 73 74institution for the purpose of providing service to a nonprofit organization, a state or federal government agency or any branch of the armed forces of the United 75States, the recipient shall be eligible for a renewal scholarship upon return to any 76 approved public or private institution, provided the recipient: 77

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- 78 (1) Returns to full-time status within twenty-seven months;
- 79 (2) Provides verification in compliance with coordinating board for higher education rules that the service to the nonprofit organization was satisfactorily 80 81 completed and was not compensated other than for expenses or that the service to the state or federal governmental agency or branch of the armed forces of the 82 83 United States was satisfactorily completed; and
- (3) Meets all other requirements established for eligibility to receive a 84 85 renewal scholarship.
- 6. A recipient of academic scholarship awarded under this section may transfer from one approved Missouri public or private institution to another without losing eligibility for the scholarship. If a recipient of the scholarship at any time withdraws from an approved private or public institution so that under the rules and regulations of that institution he or she is entitled to a refund of 90 any tuition, fees or other charges, the institution shall pay the portion of the refund attributable to the scholarship for that term to the coordinating board for higher education.
  - 7. Other provisions of this section to the contrary notwithstanding, if a recipient has been awarded an initial academic scholarship pursuant to the provisions of this section but is unable to use the scholarship during the first academic year because of illness, disability, pregnancy or other medical need or if a recipient ceases all attendance at an approved public or private institution because of illness, disability, pregnancy or other medical need, the recipient shall be eligible for an initial or renewal scholarship upon enrollment in or return to any approved public or private institution, provided the recipient:
    - (1) Enrolls in or returns to full-time status within twenty-seven months;
  - (2) Provides verification in compliance with coordinating board for higher education rules of sufficient medical evidence documenting an illness, disability, pregnancy or other medical need of such person to require that that person will not be able to use the initial or renewal scholarship during the time period for which it was originally offered; and
- 108 (3) Meets all other requirements established for eligibility to receive an 109 initial or a renewal scholarship.
  - 173.355. As used in sections 173.350 to 173.450, the following terms 2 mean:
  - (1) "Asset of the authority", any asset or investment of any kind 3 owned by the authority, including, but not limited to, any student loan,

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any income or revenues derived from any asset or investment owned by the authority, any funds, income, fees, revenues, proceeds of all bonds or other forms of indebtedness, and proceeds of the sale or liquidation

8 of any such asset or investment;

- (2) "Authority", the Missouri higher education loan authority;
- 10 [(2)] (3) "Board", the Missouri coordinating board for higher education;
- [(3)] (4) "Bond resolution", any indenture, resolution or other financing document pursuant to which revenue bonds, notes or other forms of indebtedness of the authority are issued or secured;
- [(4)] (5) "Commissioner", the Missouri commissioner of higher education;
- 15 [(5)] (6) "Department", the Missouri department of higher education;
  - (7) "Public colleges and universities", any public community college, public college, or public university located in the state of Missouri;
- [(6)] (8) "Secondary education loans", loans or notes originated by banks, 19 20 other financial institutions, secondary education institutions or the authority, the proceeds of which are to be used to pay tuition for students enrolling for either 2122junior or senior year at a secondary school which is accredited in accordance with 23 applicable state law. Such loans shall be available only to the parents or guardians of those students who undertake courses of instruction for which 24postsecondary school course credit may be awarded. Loan proceeds will not be 25available for any secondary school instruction which is sectarian in nature. 26

173.360. In order to assure that all eligible postsecondary education students have access to student loans that are guaranteed or insured, or both, 2 and in order to support the efforts of public colleges and universities to create and fund capital projects, and in order to support the Missouri technology corporation's ability to work with colleges and universities in identifying opportunities for commercializing technologies, transferring technologies, and to develop, recruit, and retain entities engaged in innovative technologies, there is hereby created 8 a body politic and corporate to be known as the "Higher Education Loan Authority of the State of Missouri". The authority is hereby constituted a public 10 instrumentality and body corporate, and the exercise by the authority of the 11 powers conferred by sections 173.350 to 173.450 shall be deemed to be the 12performance of an essential public function. The authority shall consist of seven 13 members, five of whom shall be appointed by the governor by and with the advice 14

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and consent of the senate, each of whom shall be a resident of the state; and a 15 16 member of the coordinating board; and the commissioner of higher education. In making appointments to the authority, the governor shall take into consideration 17 18 nominees recommended to him for appointment by the chairman of the coordinating board. Two of the appointed members shall be representatives of 19 20 higher education institutions, one public and one private, in Missouri, two of the appointed members shall be representatives of lending institutions in Missouri, 2122and one of the appointed members shall be representative of the public. The 23 members of the authority first appointed by the governor shall be appointed to serve for terms of one, two, three, four and five years, respectively, from the date 2425 of appointment, or until their successors shall have been appointed and shall have qualified. The initial term of each member is to be designated by the 26 governor at the time of making the appointment. Upon the expiration of the 2728 initial terms of office, successor members shall be appointed for terms of five years and shall serve until their successors shall have been appointed and shall 29 have qualified. Any member shall be eligible for reappointment. The governor 30 shall fill any vacancy in the authority for the members he appoints for the 31 32 remainder of the unexpired term. Any member of the authority may be removed by the governor for misfeasance, malfeasance, willful neglect of duty, or other 33 34 cause after notice and a public hearing unless the notice or hearing shall be 35 expressly waived in writing.

173.385. 1. The authority shall have the following powers, together with all powers incidental thereto or necessary for the performance thereof:

- (1) To have perpetual succession as a body politic and corporate;
- 4 (2) To adopt bylaws for the regulation of its affairs and the conduct of its 5 business;
- 6 (3) To sue and be sued and to prosecute and defend, at law or in equity, 7 in any court having jurisdiction of the subject matter and of the parties;
  - (4) To have and to use a corporate seal and to alter the same at pleasure;
- 9 (5) To maintain an office at such place or places in the state of Missouri 10 as it may designate;
- 11 (6) To issue bonds or other forms of indebtedness to obtain funds to 12 purchase student loan notes or finance student loans, or both, including those 13 which are guaranteed under the provisions of sections 173.095 to 173.187, or 14 under the provisions of the federal Higher Education Act of 1965, as amended, or 15 secondary education loans, or scholarships which have been converted to loans

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under the Missouri teacher education scholarship program provided for in 16 17 sections 160.276 to 160.283, RSMo. Such bonds or other forms of indebtedness shall be payable from and secured by a pledge of revenues derived from or by 18 19 reason of the ownership of student loan notes or financing of student loans, or both, and investment income or shall be payable from and secured as may be 20 designated in a bond resolution authorized by the authority. Such bonds or other 21 22 forms of indebtedness shall not constitute a debt or liability of the state of 23 Missouri or of any political subdivision thereof;

- (7) To cause proceeds of any bond or any other form of indebtedness to be used to purchase student loan notes or finance student loans, or both, including those which are guaranteed under section 173.110, or guaranteed under the federal Higher Education Act of 1965, as amended, or secondary education loans, or scholarships which have been converted to loans under the Missouri teacher education scholarship program provided for in sections 160.276 to 160.283, RSMo;
- (8) To sell or enter into agreements to sell student loan notes acquired pursuant to subdivision (7) of this section, and any agreement to sell student loan notes guaranteed under section 173.110 shall be subject to prior approval of the department. Such agreements to sell student loan notes shall be limited only by the terms of the bond resolution authorizing the issue of the bonds or other forms of indebtedness, but shall not be limited by any other provision of law limiting the sale of such student loan notes;
- (9) To transfer assets of the authority to the Lewis and Clark discovery fund established in section 173.392;
- (10) To accept appropriations, gifts, grants, bequests, and devises and to utilize or dispose of the same to carry out its purpose;
- [(10)] (11) To make and execute contracts, releases, compromises, and other instruments necessary or convenient for the exercise of its powers, or to carry out its purpose;
- [(11)] (12) To collect reasonable fees and charges in connection with making and servicing its loans, notes, bonds, obligations, commitments, and other evidences of indebtedness, and in connection with providing technical, consultative and project assistant services. Such fees and charges shall be used to pay the costs of the authority;
  - [(12)] (13) To invest any funds not required for immediate disbursement in obligations of the state of Missouri or of the United States government or any instrumentality thereof, the principal and interest of which are guaranteed by the

- state of Missouri, or the United States government or any instrumentality thereof, or certificates of deposit or time deposits of federally insured banks, or federally insured savings and loan associations or of insured credit unions, or, with respect to moneys pledged or held under a trust estate or otherwise
- 56 available for the owners of bonds or other forms of indebtedness, any investment
- 57 authorized under the bond resolution governing the security and payment of such
- 58 obligations or repurchase agreements for the specified investments;
- [(13)] (14) To acquire, hold and dispose of personal property [for] to carry out its purposes;
- [(14)] (15) To enter into agreements or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association or organization;
- [(15)] (16) To take any necessary actions to be qualified to issue tax-exempt bonds or other forms of tax-exempt indebtedness pursuant to the applicable provisions of the Internal Revenue Code of 1986, as amended, including the issuance of such bonds to fulfill the obligations of the authority under subsection 2 of section 173.385;
- [(16)] (17) To take any necessary actions to be qualified to issue bonds or other forms of indebtedness, the interest on which is not exempt from federal income taxation, including the issuance of such bonds to fulfill the obligations of the authority under subsection 2 of section 173.385;
- 73 [(17)] (18) To service student loans for any owner thereof, regardless of 74 whether such student loans are originated in this state or out of this state;
- 75 (19) To create, acquire, contribute to, or invest in any type of 76 financial aid program that provides grants and scholarships to 77 students.
- 78 2. The authority shall distribute three hundred fifty million 79 dollars of assets of the authority to the Lewis and Clark discovery fund established in section 173.392 as follows: two hundred thirty million 80 dollars no later than September 15, 2007; five million dollars by December 31, 2007; and five million dollars each quarter thereafter ending September 30, 2013. Any investment earnings on the moneys in 83 the Lewis and Clark discovery fund shall be credited against the next 84 distribution by the authority and shall thereby reduce the amount of 85any such distribution by the authority. The authority shall make any 86 distributions to the Lewis and Clark discovery fund pursuant to the

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dates scheduled in this subsection, provided, however, that the date of 88 89 any such distribution may be delayed by the authority if the authority 90 determines that any such distribution may materially adversely effect the services and benefits provided Missouri students or residents in the 91 ordinary course of the authority's business, the borrower benefit 92 programs of the authority, or the economic viability of the 93 authority. Notwithstanding the ability of the authority to delay any 94 distribution required by this subsection, the distribution of the entire 95 three hundred fifty million dollars of assets by the authority to the 96 Lewis and Clark discovery fund shall be completed no later than 97 98 September 30, 2013, unless otherwise approved by the authority and the commissioner of the office of administration. 99

3. No member of the authority who lawfully acts or votes on any agreement or other matter authorized under the powers granted to the authority under this section shall incur any personal liability as a result of such lawful deliberations, acts, or votes, and such members shall be immune from suit for such deliberations, acts, or votes. In no event shall such deliberations, acts, or votes constitute a conflict of interest under section 173.380.

4. Notwithstanding any provision of law to the contrary, in the event of the initial distribution of two hundred thirty million dollars of assets by the authority to the Lewis and Clark discovery fund created in section 173.392, the director of the department of economic development shall allocate to and reserve for the authority during the year of such first distribution and in at least each of the next fourteen years thereafter a percentage of the state ceiling under sections 108.500 to 108.532, RSMo, which percentage shall at a minimum be equal to one and one-half percent less than the average percentage of the authority's allocation of state ceiling for the two calendar years 2005 and 2006 calculated annually. The dollar amount of state ceiling to be received by the authority as determined under the provisions of this subsection for calendar year 2014 and later years, not to exceed calendar year 2021, shall be reduced in any calendar year by the percentage of the three hundred fifty million dollars not yet distributed by the authority to the Lewis and Clark discovery fund by the preceding calendar year end.

173.386. Notwithstanding any other provision of law, the

authority shall not have the power or authority to cause any asset of the authority to be used for the payment of debt incurred by the state, and the authority shall not have the power or authority to distribute any asset of the authority to any fund of the state of Missouri, for the purpose of payment of debt incurred by the state.

173.392. 1. There is hereby created in the state treasury a fund to be known as the "Lewis and Clark Discovery Fund". The state  $^{2}$ treasurer shall deposit to the credit of the fund all moneys which may be distributed to it by the authority, appropriated to it by the general assembly, and any gifts, contributions, grants, or bequests received from federal, private, or other sources for deposit into the fund. The office of administration shall administer the fund. The moneys in the fund shall only be used for any purpose enumerated in subsection 2 of this section. The moneys in the fund may be appropriated by the general assembly, but only for any purpose enumerated in subsection 2 of this section. None of the moneys in the fund shall be considered 11 state funds unless and to the extent such moneys are appropriated by 1213 the general assembly.

- 2. The general assembly may annually appropriate moneys from the Lewis and Clark discovery fund only for the following purposes:
- 16 (1) To support funding of capital projects at public colleges and
  17 universities, provided that moneys shall not be appropriated to any
  18 public college or university that knowingly employs, as of September
  19 1, 2007, any person, as a professor or instructor, required to be
  20 registered under sections 589.400 to 589.425, RSMo; and
- (2) To support funding for the Missouri technology corporation's ability to work with colleges and universities in identifying opportunities for commercializing technologies, transferring technologies, and to develop, recruit, and retain entities engaged in innovative technologies.
- 3. Moneys in the fund shall be invested by the state treasurer in the manner prescribed by law for investment of general revenue funds and any interest earned on invested moneys shall accrue to the benefit of the Lewis and Clark discovery fund and shall reduce payments by the authority pursuant to subsection 2 of section 173.385. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, moneys in the Missouri Lewis and Clark discovery fund shall

33 not revert to the credit of the general revenue fund at the end of the 34 biennium.

173.393. Any money appropriated by the general assembly from the Lewis and Clark discovery fund and used by the recipient in violation of section 173.386 or section 173.392, shall thereby be a liability of the recipient to the credit of the Lewis and Clark discovery fund and the recipient shall remit all such money to the Lewis and Clark discovery fund. In the event the recipient of such appropriated funds is liable to remit the appropriated funds back to the Lewis and Clark discovery fund, pursuant to this section, such recipient shall also be liable to remit interest on the amount due to the fund. Beginning on the date of receipt of such appropriated funds by the recipient, such 10 outstanding funds shall accrue interest at the rate of one percent per 11 month until the principal and all accrued interest is remitted in full to 1213 the fund. The recipient shall remit all principal of and interest on such misused funds to the state treasurer for deposit into the Lewis and 14 Clark discovery fund. 15

173.425. [The proceeds of all bonds or other forms of indebtedness issued by the authority and of all fees permitted to be charged by the authority and of other revenues derived shall not No asset of the authority shall be considered to be part of the revenue of the state within the meaning of article III, section 36, of the Constitution of Missouri, [shall not] and no asset of the 5 authority shall be required to be deposited into the state treasury, and [shall not] no asset of the authority shall be subject to appropriation by the general assembly, except for those amounts distributed by the authority to the Lewis and Clark discovery fund pursuant to subdivision (9) of subsection 1 of section 173.385. The [proceeds, fees, and revenue] assets of 10 the authority shall remain under the exclusive control and management of the 11 authority to be used as required pursuant to sections 173.350 to 173.450, except 13 for those amounts distributed by the authority to the Lewis and Clark 14 discovery fund pursuant to subdivision (9) of subsection 1 of section 15 173.385. Student loan notes purchased or financed shall not be considered to be 16 public property.

173.475. Notwithstanding any provision of law or policy of a public institution of higher education to the contrary, no public college or university, as defined in section 173.355, shall reject an applicant for

- a faculty position based solely on the applicant having not earned a graduate degree, provided that the applicant has earned an undergraduate baccalaureate degree and has served for at least eight years in the general assembly.
- 173.616. 1. The following schools, training programs, and courses of instruction shall be exempt from the provisions of sections 173.600 to 173.618:
- 3 (1) A public institution;

subsection 2 of section 173.005.

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173.618:

- 4 (2) Any college or university represented directly or indirectly on the advisory committee of the coordinating board for higher education as provided in subsection 3 of section 173.005;
- 7 (3) An institution that is certified by the board as an "approved private 8 institution" under subdivision (2) of section 173.205;
- 9 (4) A not-for-profit religious school that is accredited by the American 10 Association of Bible Colleges, the Association of Theological Schools in the United 11 States and Canada, or a regional accrediting association, such as the North 12 Central Association, which is recognized by the Council on Postsecondary
- 13 Accreditation and the United States Department of Education; and
  14 (5) Beginning July 1, 2008, all out-of-state public institutions of
  15 higher education, as such term is defined in subdivision (11) of
- 17 2. The coordinating board shall exempt the following schools, training 18 programs and courses of instruction from the provisions of sections 173.600 to
- 20 (1) A not-for-profit school owned, controlled and operated by a bona fide 21 religious or denominational organization which offers no programs or degrees and 22 grants no degrees or certificates other than those specifically designated as 23 theological, bible, divinity or other religious designation;
- 24 (2) A not-for-profit school owned, controlled and operated by a bona fide 25 eleemosynary organization which provides instruction with no financial charge 26 to its students and at which no part of the instructional cost is defrayed by or 27 through programs of governmental student financial aid, including grants and 28 loans, provided directly to or for individual students;
- 29 (3) A school which offers instruction only in subject areas which are 30 primarily for avocational or recreational purposes as distinct from courses to 31 teach employable, marketable knowledge or skills, which does not advertise 32 occupational objectives and which does not grant degrees;

- 33 (4) A course of instruction, study or training program sponsored by an 34 employer for the training and preparation of its own employees;
- 35 (5) A course of study or instruction conducted by a trade, business or professional organization with a closed membership where participation in the course is limited to bona fide members of the trade, business or professional organization, or a course of instruction for persons in preparation for an examination given by a state board or commission where the state board or commission approves that course and school;
- 41 (6) A school or person whose clientele are primarily students aged sixteen 42 or under.
- 3. A school which is otherwise licensed and approved under and pursuant to any other licensing law of this state shall be exempt from sections 173.600 to 173.618, but a state certificate of incorporation shall not constitute licensing for the purpose of sections 173.600 to 173.618.
- 47 4. Any school, training program or course of instruction exempted herein may elect by majority action of its governing body or by action of its director to 48 apply for approval of the school, training program or course of instruction under 49 the provisions of sections 173.600 to 173.618. Upon application to and approval 50 by the coordinating board, such school training program or course of instruction 51 52may become exempt from the provisions of sections 173.600 to 173.618 at any 53 subsequent time, except the board shall not approve an application for exemption if the approved school is then in any status of noncompliance with certification 5455 standards and a reversion to exempt status shall not relieve the school of any liability for indemnification or any penalty for noncompliance with certification 56 standards during the period of the school's approved status. 57
  - 173.1000. The provisions of sections 173.1000 to 173.1006 shall be known and may be cited as the "Higher Education Student Funding 3 Act".
  - 173.1003. 1. Beginning with the 2008-2009 academic year, each approved public institution, as such term is defined in section 173.1102, shall submit its percentage change in the amount of tuition from the current academic year compared to the upcoming academic year to the coordinating board for higher education by July first preceding such academic year.
  - 7 2. For institutions whose tuition is greater than the average 8 tuition, the percentage change in tuition shall not exceed the

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9 percentage change of the consumer price index or zero, whichever is 10 greater.

- 3. For institutions whose tuition is less than the average tuition, the dollar increase in tuition shall not exceed the product of zero or the percentage change of the consumer price index, whichever is greater, times the average tuition.
- 4. If a tuition increase exceeds the limits set forth in subsections
  16 2 or 3 of this section, then the institution shall be subject to the
  17 provisions of subsection 5 of this section.
- 5. Any institution that exceeds the limits set forth in subsections 18 19 2 or 3 of this section shall remit to the board an amount equal to five percent of its current year state operating appropriation amount which 20shall be deposited into the general revenue fund unless the institution 2122appeals, within thirty days of such notice, to the commissioner of higher education for a waiver of this provision. The commissioner, after meeting with appropriate representatives of the institution, shall 24determine whether the institution's waiver request is sufficiently 25 $^{26}$ warranted, in which case no fund remission shall occur. In making this 27determination, the factors considered by the commissioner shall 28include but not be limited to the relationship between state 29appropriations and the consumer price index and any extraordinary 30 circumstances. If the commissioner determines that an institution's 31 tuition percent increase is not sufficiently warranted and declines the waiver request, the commissioner shall recommend to the full 32coordinating board that the institution shall remit an amount up to five 33 percent of its current year state operating appropriation to the board, 34which shall deposit the amount into the general revenue fund. The 36 coordinating board shall have the authority to make a binding and final decision, by means of a majority vote, regarding the matter. 37
  - 6. The provisions of subsections 2 to 5 of this section shall not apply to any community college unless any such community college's tuition for any Missouri resident is greater than or equal to the average tuition. If the provisions of subsections 2 to 5 of this section apply to a community college, subsections 2 to 5 of this section shall only apply to out-of-district Missouri resident tuition.
- 7. For purposes of this section, the term "average tuition" shall be the sum of the tuition amounts for the previous academic year for

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each approved public institution that is not excluded under subsection 46 47 6 of this section, divided by the number of such institutions. The term "consumer price index" shall mean the consumer price index for all 48 urban consumers (CPI-U), 1982-1984 = 100, not seasonally adjusted, as 49 defined and officially recorded by the United States Department of 50 Labor, or its successor agency, from January first of the current year 51compared to January first of the preceding year. The term "state 52appropriation" shall mean the state operating appropriation for the 53 prior year per full time equivalent student for the prior year compared 54to state operating appropriation for the current year per full time 55 equivalent student for the prior year. The term "tuition" shall mean the 56 amount of tuition and required fees, excluding any fee established by 57 the student body of the institution, charged to a Missouri resident 58undergraduate enrolled in fifteen credit hours at the institution. 59

8. Nothing in this section shall be construed to usurp or preclude the ability of the governing board of an institution of higher education to establish tuition or required fee rates.

173.1004. The coordinating board shall promulgate rules and regulations to ensure that each approved public higher education institution shall post on its website the names of all faculty, including adjunct, part-time, and full-time faculty, who are given full or partial teaching assignments along with web links or other means of providing information about their academic credentials and, where feasible, 7 instructor ratings by students. In addition, public institutions of higher education shall post course schedules on their websites that include the name of the instructor assigned to each course and, if applicable, each section of a course, as well as identifying those instructors who are teaching assistants, provided that the institution 11 may modify and update the identity of instructors as courses and 12sections are added or cancelled. 13

173.1006. 1. The following performance measures shall be established by July 1, 2008:

- 3 (1) Two institutional measures as negotiated by each public 4 institution through the department of higher education; and
- 5 (2) Three statewide measures as developed by the department of 6 higher education in consultation with public institutions of higher 7 education.

- 8 One such measure may be a sector-specific measure making use of the
- 9 2005 additional Carnegie categories, if deemed appropriate by the
- 10 department of higher education.
- 2. The department shall report to the joint committee on
- 12 education established in section 160.254, RSMo, on its progress at least
- 13 twice a year in developing the statewide measures and negotiating the
- 14 institution-specific measures and shall develop a procedure for
- 15 reporting the effects of performance measures to the joint committee
- 16 on education at an appropriate time for consideration during the
- 17 appropriations process.
  - 173.1101. The financial assistance program established under
  - 2 sections 173.1101 to 173.1107 shall be hereafter known as the "Access
  - B Missouri Financial Assistance Program". The coordinating board and
  - 4 all approved private and public institutions in this state shall refer to
  - 5 the financial assistance program established under sections 173.1101 to
  - 6 173.1107 as the access Missouri student financial assistance program in
  - 7 their scholarship literature, provided that no institution shall be
  - 8 required to revise or amend any such literature to comply with this
  - 9 section prior to the date such literature would otherwise be revised,
- 10 amended, reprinted or replaced in the ordinary course of such
- 11 institution's business.
  - 173.1102. As used in sections 173.1101 to 173.1107, unless the
- 2 context requires otherwise, the following terms mean:
- 3 (1) "Academic year", the period from July first of any year
- 4 through June thirtieth of the following year;
- 5 (2) "Approved private institution", a nonprofit institution,
- 6 dedicated to educational purposes, located in Missouri which:
- 7 (a) Is operated privately under the control of an independent
- 8 board and not directly controlled or administered by any public agency
- 9 or political subdivision;
- 10 (b) Provides a postsecondary course of instruction at least six
- 11 months in length leading to or directly creditable toward a certificate
- 12 or degree;
- 13 (c) Meets the standards for accreditation as determined by either
- 14 the Higher Learning Commission or by other accrediting bodies
- 15 recognized by the United States Department of Education or by
- 16 utilizing accreditation standards applicable to nondegree-granting

17 institutions as established by the coordinating board for higher 18 education;

- (d) Does not discriminate in the hiring of administrators, faculty and staff or in the admission of students on the basis of race, color, religion, sex, or national origin and is in compliance with the Federal Civil Rights Acts of 1964 and 1968 and executive orders issued pursuant thereto. Sex discrimination as used herein shall not apply to admission practices of institutions offering the enrollment limited to one sex;
- 25 (e) Permits faculty members to select textbooks without 26 influence or pressure by any religious or sectarian source;
- 27 (3) "Approved public institution", an educational institution 28 located in Missouri which:
- 29 (a) Is directly controlled or administered by a public agency or 30 political subdivision;
- 31 (b) Receives appropriations directly or indirectly from the 32 general assembly for operating expenses;
- 33 (c) Provides a postsecondary course of instruction at least six 34 months in length leading to or directly creditable toward a degree or 35 certificate;
- 36 (d) Meets the standards for accreditation as determined by 37 either the Higher Learning Commission, or if a public community college created under the provisions of sections 178.370 to 178.400, 38 39 RSMo, meets the standards established by the coordinating board for higher education for such public community colleges, or by other 40 accrediting bodies recognized by the United States Department of 41 Education or by utilizing accreditation standards applicable to the 42institution as established by the coordinating board for higher 44 education;
- (e) Does not discriminate in the hiring of administrators, faculty
  and staff or in the admission of students on the basis of race, color,
  religion, sex, or national origin and is otherwise in compliance with the
  Federal Civil Rights Acts of 1964 and 1968 and executive orders issued
  pursuant thereto;
- (f) Permits faculty members to select textbooks without influence or pressure by any religious or sectarian source;
- 52 (4) "Coordinating board", the coordinating board for higher 53 education;

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- 54 (5) "Expected family contribution", the amount of money a 55 student and family should pay toward the cost of postsecondary 56 education as calculated by the United States Department of Education 57 and reported on the student aid report or the institutional student 58 information record;
  - (6) "Financial assistance", an amount of money paid by the state of Missouri to a qualified applicant under sections 173.1101 to 173.1107;
  - (7) "Full-time student", an individual who is enrolled in and is carrying a sufficient number of credit hours or their equivalent at an approved private or public institution to secure the degree or certificate toward which he or she is working in no more than the number of semesters or their equivalent normally required by that institution in the program in which the individual is enrolled. This definition shall be construed as the successor to subdivision (7) of section 173.205 for purposes of eligibility requirements of other financial assistance programs that refer to section 173.205.
- agency for the implementation of the program established by sections 173.1101 to 173.1107. The coordinating board shall promulgate reasonable rules and regulations for the exercise of its functions and the effectuation of the purposes of sections 173.1101 to 173.1107. It shall prescribe the form and the time and method of filing applications and supervise the processing thereof. The coordinating board shall determine the criteria for eligibility of applicants and shall evaluate each applicant's expected family contribution. It shall select qualified recipients to receive financial assistance, make such awards of financial assistance to qualified recipients, and determine the manner and method of payment to the recipient.
- 2. The coordinating board shall determine eligibility for renewed 13 assistance on the basis of annual applications and annual evaluations 14 of expected family contribution. In awarding renewal grants, the 15coordinating board may increase or decrease the amount of financial 16 assistance to an applicant if such action is warranted by a change in 17the financial condition of the applicant, the applicant's spouse or parents, or the availability of funds for that year. As a condition to 19 consideration for initial or renewed assistance, the coordinating board 20may require the applicant, the applicant's spouse and parents to 21

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execute forms of consent authorizing the director of revenue of
Missouri to compare financial information submitted by the applicant
with the Missouri individual income tax returns of the applicant, the
applicant's spouse and parents for the taxable year immediately
preceding the year for which application is made, and to report any
discrepancies to the coordinating board.

3. There is hereby created in the state treasury the "Access 28 Missouri Financial Assistance Fund". The state treasurer shall be 29 30 custodian of the fund and may approve disbursements from the fund in accordance with sections 30.170 and 30.180, RSMo. Upon appropriation, 31 money in the fund shall be used solely to provide financial assistance 32qualified applicants as provided by sections 173.1101 to 33 173.1107. Notwithstanding the provisions of section 33.080, RSMo, to 34the contrary, any moneys remaining in the fund at the end of the 35 biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the fund in the same 37 manner as other funds are invested. Any interest and moneys earned 38 on such investments shall be credited to the fund. 39

173.1104. 1. An applicant shall be eligible for initial or renewed
2 financial assistance only if, at the time of application and throughout
3 the period during which the applicant is receiving such assistance, the
4 applicant:

- (1) Is a citizen or a permanent resident of the United States;
- 6 (2) Is a resident of the state of Missouri, as determined by 7 reference to standards promulgated by the coordinating board;
- 8 (3) Is enrolled, or has been accepted for enrollment, as a full-time 9 undergraduate student in an approved private or public institution; 10 and
- 11 (4) Is not enrolled or does not intend to use the award to enroll 12 in a course of study leading to a degree in theology or divinity.
- 2. If an applicant is found guilty of or pleads guilty to any criminal offense during the period of time in which the applicant is receiving financial assistance, such applicant shall not be eligible for renewal of such assistance, provided such offense would disqualify the applicant from receiving federal student aid under Title IV of the Higher Education Act of 1965, as amended.
  - 3. Financial assistance shall be allotted for one academic year,

but a recipient shall be eligible for renewed assistance until he or she 20has obtained a baccalaureate degree, provided such financial assistance shall not exceed a total of ten semesters or fifteen quarters or their equivalent. Standards of eligibility for renewed assistance shall be the 2324same as for an initial award of financial assistance, except that for renewal, an applicant shall demonstrate a grade-point average of two 25and five-tenths on a four-point scale, or the equivalent on another 2627scale. This subsection shall be construed as the successor to section 28 173.215 for purposes of eligibility requirements of other financial 29assistance programs that refer to section 173.215.

173.1105. 1. Beginning with the 2007-2008 academic year, an applicant who is an undergraduate postsecondary student at an approved private or public institution and who meets the other eligibility criteria shall be eligible for financial assistance, with a minimum and maximum award amount as follows:

- 6 (1) One thousand dollars maximum and three hundred dollars
  7 minimum for students attending institutions classified as part of the
  8 public two-year sector;
- 9 (2) Two thousand one hundred fifty dollars maximum and one 10 thousand dollars minimum for students attending institutions classified 11 as part of the public four-year sector, including Linn State Technical 12 College; and
- 13 (3) Four thousand six hundred dollars maximum and two 14 thousand dollars minimum for students attending approved private 15 institutions.
- 16 2. All students with an expected family contribution of twelve 17 thousand dollars or less shall receive at least the minimum award amount for his or her institution. Maximum award amounts for an eligible student with an expected family contribution above seven 19 20 thousand dollars shall be reduced by ten percent of the maximum expected family contribution for his or her increment group. Any 21award amount shall be reduced by the amount of a student's 22reimbursement pursuant to section 160.545, RSMo. For purposes of this 23subsection, the term "increment group" shall mean a group organized by expected family contribution in five hundred dollar increments into 25which all eligible students shall be placed.  $^{26}$ 
  - 3. If appropriated funds are insufficient to fund the program as

described, the maximum award shall be reduced across all sectors by the percentage of the shortfall. If appropriated funds exceed the amount necessary to fund the program, the additional funds shall be used to increase the number of recipients by raising the cutoff for the expected family contribution rather than by increasing the size of the award.

4. Every three years, beginning with academic year 2009-2010, 34 the award amount may be adjusted to increase no more than the 35 consumer price index for all urban consumers (CPI-U), 1982-1984 = 100, 36 not seasonally adjusted, as defined and officially recorded by the 37 United States Department of Labor, or its successor agency, for the 38 previous academic year. The coordinating board shall prepare a report 39 40 prior to the legislative session for use of the general assembly and the governor in determining budget requests which shall include the 41 amount of funds necessary to maintain full funding of the program 4243 based on the baseline established for the program upon the passage of sections 173.1101 to 173.1107. Any increase in the award amount shall 44 45 not become effective unless an increase in the amount of money 46 appropriated to the program necessary to cover the increase in award 47 amount is passed by the general assembly.

173.1106. If an applicant is granted financial assistance under any other student aid program, public or private, the full amount of such aid shall be reported to the coordinating board by the institution and the recipient.

173.1107. A recipient of financial assistance may transfer from one approved public or private institution to another without losing eligibility for assistance under sections 173.1101 to 173.1107, but the coordinating board shall make any necessary adjustments in the amount of the award. If a recipient of financial assistance at any time is entitled to a refund of any tuition, fees, or other charges under the rules and regulations of the institution in which he or she is enrolled, the institution shall pay the portion of the refund which may be attributed to the state grant to the coordinating board. The coordinating board will use these refunds to make additional awards under the provisions of sections 173.1101 to 173.1107.

173.1108. Under section 23.253, RSMo, of the Missouri sunset act:

(1) The provisions of the new program authorized under sections

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- 3 173.1101 to 173.1107 shall automatically sunset six years after the
  4 effective date of sections 173.1101 to 173.1107 unless reauthorized by an
  5 act of the general assembly; and
- 6 (2) If such program is reauthorized, the program authorized 7 under sections 173.1101 to 173.1107 shall automatically sunset twelve 8 years after the effective date of the reauthorization of sections 173.1101 9 to 173.1107; and
- 10 (3) Sections 173.1101 to 173.1107 shall terminate on September 11 first of the calendar year immediately following the calendar year in 12 which the program authorized under sections 173.1101 to 173.1107 is 13 sunset.
- 313.835. 1. All revenue received by the commission from license fees, penalties, administrative fees, reimbursement by any excursion gambling boat operators for services provided by the commission and admission fees authorized pursuant to the provisions of sections 313.800 to 313.850, except that portion of the admission fee, not to exceed one cent, that may be appropriated to the compulsive gamblers fund as provided in section 313.820, shall be deposited in the state treasury to the credit of the "Gaming Commission Fund" which is hereby created for the sole purpose of funding the administrative costs of the commission, subject to appropriation. Moneys deposited into this fund shall not be considered proceeds of gambling operations. Moneys deposited into the gaming 10 commission fund shall be considered state funds pursuant to article IV, section 11 15 of the Missouri Constitution. All interest received on the gaming commission 13 fund shall be credited to the gaming commission fund. In each fiscal year, total revenues to the gaming commission fund for the preceding fiscal year shall be 1415compared to total expenditures and transfers from the gaming commission fund 16 for the preceding fiscal year. The remaining net proceeds in the gaming 17 commission fund shall be distributed in the following manner:
  - (1) The first five hundred thousand dollars shall be appropriated on a per capita basis to cities and counties that match the state portion and have demonstrated a need for funding community neighborhood organization programs for the homeless and to deter gang-related violence and crimes;
- (2) The remaining net proceeds in the gaming commission fund for fiscal year 1998 and prior years shall be transferred to the "Veterans' Commission Capital Improvement Trust Fund", as hereby created in the state treasury. The state treasurer shall administer the veterans' commission capital improvement

- 26 trust fund, and the moneys in such fund shall be used solely, upon appropriation,
- 27 by the Missouri veterans' commission for:
- 28 (a) The construction, maintenance or renovation or equipment needs of 29 veterans' homes in this state;
- 30 (b) The construction, maintenance, renovation, equipment needs and 31 operation of veterans' cemeteries in this state;
- 32 (c) Fund transfers to Missouri veterans' homes fund established pursuant 33 to the provisions of section 42.121, RSMo, as necessary to maintain solvency of 34 the fund;
- (d) Fund transfers to any municipality with a population greater than four 35 hundred thousand and located in part of a county with a population greater than 36 six hundred thousand in this state which has established a fund for the sole 37 purpose of the restoration, renovation and maintenance of a memorial or museum 38 39 or both dedicated to World War I. Appropriations from the veterans' commission capital improvement trust fund to such memorial fund shall be provided only as 40 a one-time match for other funds devoted to the project and shall not exceed five 41 million dollars. Additional appropriations not to exceed ten million dollars total 42may be made from the veterans' commission capital improvement trust fund as 43 a match to other funds for the new construction or renovation of other facilities 44 45dedicated as veterans' memorials in the state. All appropriations for renovation, new construction, reconstruction, and maintenance of veterans' memorials shall 46 47 be made only for applications received by the Missouri veterans' commission prior 48 to July 1, 2004;
- 49 (e) The issuance of matching fund grants for veterans' service officer programs to any federally chartered veterans' organization or municipal 50 government agency that is certified by the Veterans Administration to process 51 52veteran claims within the Veterans Administration System; provided that such veterans' organization has maintained a veterans' service officer presence within 53 the state of Missouri for the three-year period immediately preceding the issuance 54of any such grant. A total of seven hundred fifty thousand dollars in grants shall 5556 be made available annually with grants being issued in July of each year. Application for the matching grants shall be made through and approved by the Missouri veterans' commission based on the requirements established by 58 59 the commission;
- 60 (f) For payment of Missouri national guard and Missouri veterans' 61 commission expenses associated with providing medals, medallions and

- certificates in recognition of service in the armed forces of the United States 62 63 during World War II and the Korean Conflict pursuant to sections 42.170 to 42.206, RSMo. Any funds remaining from the medals, medallions and certificates 64 65 shall not be transferred to any other fund and shall only be utilized for the awarding of future medals, medallions, and certificates in recognition of service 66 67 in the armed forces; and
- 68 (g) Fund transfers totaling ten million dollars to any municipality with 69 a population greater than three hundred fifty thousand inhabitants and located 70 in part in a county with a population greater than six hundred thousand inhabitants and with a charter form of government, for the sole purpose of the 7172 construction, restoration, renovation and maintenance of a memorial or museum or both dedicated to World War I. 73
- Any interest which accrues to the fund shall remain in the fund and shall be used 7475in the same manner as moneys which are transferred to the fund pursuant to this section. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, 76 moneys in the veterans' commission capital improvement trust fund at the end 77 of any biennium shall not be transferred to the credit of the general revenue fund; 78
- 79 (3) The remaining net proceeds in the gaming commission fund for fiscal year 1999 and each fiscal year thereafter shall be distributed as follows: 80
- 81 (a) The first four and one-half million dollar portion shall be transferred 82 to the [Missouri college guarantee] access Missouri financial assistance fund, established pursuant to the provisions of sections [173.810 to 173.830] 83 84 173.1101 to 173.1107, RSMo, and additional moneys as annually appropriated 85 by the general assembly shall be appropriated to such fund;
- (b) The second three million dollar portion shall be transferred to the 86 veterans' commission capital improvement trust fund; 87
- 88 (c) The third three million dollar portion shall be transferred to the Missouri national guard trust fund created in section 41.214, RSMo; 89
- (d) Subject to appropriations, one hundred percent of remaining net proceeds in the gaming commission fund except as provided in paragraph (1) of this subdivision, and after the appropriations made pursuant to the provisions of 93 paragraphs (a), (b), and (c) of this subdivision, shall be transferred to the "Early Childhood Development, Education and Care Fund" which is hereby created to 95 give parents meaningful choices and assistance in choosing the child-care and education arrangements that are appropriate for their family. All interest 96 received on the fund shall be credited to the fund. Notwithstanding the

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98 provisions of section 33.080, RSMo, moneys in the fund at the end of any 99 biennium shall not be transferred to the credit of the general revenue fund. Any moneys deposited in such fund shall be used to support programs that prepare 100 101 children prior to the age in which they are eligible to enroll in kindergarten, 102 pursuant to section 160.053, RSMo, to enter school ready to learn. All moneys 103 deposited in the early childhood development, education and care fund shall be 104 annually appropriated for voluntary, early childhood development, education and 105 care programs serving children in every region of the state not yet enrolled in 106 kindergarten;

- (e) No less than sixty percent of moneys deposited in the early childhood development, education and care fund shall be appropriated as provided in this paragraph to the department of elementary and secondary education and to the department of social services to provide early childhood development, education and care programs through competitive grants to, or contracts with, governmental or private agencies. Eighty percent of such moneys pursuant to the provisions of this paragraph and additional moneys as appropriated by the general assembly shall be appropriated to the department of elementary and secondary education and twenty percent of such moneys pursuant to the provisions of this paragraph shall be appropriated to the department of social services. The departments shall provide public notice and information about the grant process to potential applicants.
  - a. Grants or contracts may be provided for:
- 120 (i) Start-up funds for necessary materials, supplies, equipment and 121 facilities; and
- 122 (ii) Ongoing costs associated with the implementation of a sliding parental 123 fee schedule based on income;
  - b. Grant and contract applications shall, at a minimum, include:
- 125 (i) A funding plan which demonstrates funding from a variety of sources 126 including parental fees;
- 127 (ii) A child development, education and care plan that is appropriate to 128 meet the needs of children;
- 129 (iii) The identity of any partner agencies or contractual service providers;
- (iv) Documentation of community input into program development;
- 131 (v) Demonstration of financial and programmatic accountability on an 132 annual basis;
- 133 (vi) Commitment to state licensure within one year of the initial grant, if

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- funding comes from the appropriation to the department of elementary and secondary education and commitment to compliance with the requirements of the department of social services, if funding comes from the department of social services; and
- 138 (vii) With respect to applications by public schools, the establishment of 139 a parent advisory committee within each public school program;
- 140 c. In awarding grants and contracts pursuant to this paragraph, the 141 departments may give preference to programs which:
- (i) Are new or expanding programs which increase capacity;
- 143 (ii) Target geographic areas of high need, namely where the ratio of 144 program slots to children under the age of six in the area is less than the same 145 ratio statewide;
  - (iii) Are programs designed for special needs children;
- 147 (iv) Are programs that offer services during nontraditional hours and 148 weekends; or
  - (v) Are programs that serve a high concentration of low-income families;
  - d. Beginning on August 28, 1998, the department of elementary and secondary education and the department of social services shall initiate and conduct a four-year study to evaluate the impact of early childhood development, education and care in this state. The study shall consist of an evaluation of children eligible for moneys pursuant to this paragraph, including an evaluation of the early childhood development, education and care of those children participating in such program and those not participating in the program over a four-year period. At the conclusion of the study, the department of elementary and secondary education and the department of social services shall, within ninety days of conclusion of the study, submit a report to the general assembly and the governor, with an analysis of the study required pursuant to this subparagraph, all data collected, findings, and other information relevant to early childhood development, education and care;
  - (f) No less than ten percent of moneys deposited in the early childhood development, education and care fund shall be appropriated to the department of social services to provide early childhood development, education and care programs through child development, education and care certificates to families whose income does not exceed one hundred eighty-five percent of the federal poverty level in the manner pursuant to 42 U.S.C. 9858c(c)(2)(A) and 42 U.S.C. 9858n(2) for the purpose of funding early childhood development, education and

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care programs as approved by the department of social services. At a minimum, the certificate shall be of a value per child which is commensurate with the per child payment under item (ii) of subparagraph a. of paragraph (e) of this subdivision pertaining to the grants or contracts. On February first of each year the department shall certify the total amount of child development, education and care certificates applied for and the unused balance of the funds shall be released to be used for supplementing the competitive grants and contracts program authorized pursuant to paragraph (e) of this subdivision;

- (g) No less than ten percent of moneys deposited in the early childhood development, education and care fund shall be appropriated to the department of social services to increase reimbursements to child-care facilities for low-income children that are accredited by a recognized, early childhood accrediting organization;
- (h) No less than ten percent of the funds deposited in the early childhood development, education and care fund shall be appropriated to the department of social services to provide assistance to eligible parents whose family income does not exceed one hundred eighty-five percent of the federal poverty level who wish to care for their children under three years of age in the home, to enable such parent to take advantage of early childhood development, education and care programs for such parent's child or children. At a minimum, the certificate shall be of a value per child which is commensurate with the per child payment under item (ii) of subparagraph a. of paragraph (e) of this subdivision pertaining to the grants or contracts. The department of social services shall provide assistance to these parents in the effective use of early childhood development, education and care tools and methods;
- (i) In setting the value of parental certificates under paragraph (f) of this subdivision and payments under paragraph (h) of this subdivision, the department of social services may increase the value based on the following:
- a. The adult caretaker of the children successfully participates in the parents as teachers program pursuant to the provisions of sections 178.691 to 178.699, RSMo, a training program provided by the department on early childhood development, education and care, the home-based Head Start program as defined in 42 U.S.C. 9832 or a similar program approved by the department;
- b. The adult caretaker consents to and clears a child abuse or neglect screening pursuant to subdivision (1) of subsection 2 of section 210.152, RSMo;

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- 206 c. The degree of economic need of the family;
- (j) The department of elementary and secondary education and the department of social services each shall by rule promulgated pursuant to chapter 536, RSMo, establish guidelines for the implementation of the early childhood development, education and care programs as provided in paragraphs (e) through (i) of this subdivision;
- 212 (k) Any rule or portion of a rule, as that term is defined in section 213 536.010, RSMo, that is promulgated under the authority delegated in paragraph 214(j) of this subdivision shall become effective only if the agency has fully complied with all of the requirements of chapter 536, RSMo, including but not limited to, 215216section 536.028, RSMo, if applicable, after August 28, 1998. All rulemaking authority delegated prior to August 28, 1998, is of no force and effect and 217repealed as of August 28, 1998, however, nothing in this section shall be 218 219 interpreted to repeal or affect the validity of any rule adopted or promulgated prior to August 28, 1998. If the provisions of section 536.028, RSMo, apply, the 220 221provisions of this section are nonseverable and if any of the powers vested with 222 the general assembly pursuant to section 536.028, RSMo, to review, to delay the 223 effective date, or to disapprove and annul a rule or portion of a rule are held 224 unconstitutional or invalid, the purported grant of rulemaking authority and any 225rule so proposed and contained in the order of rulemaking shall be invalid and void, except that nothing in this act shall affect the validity of any rule adopted 226 and promulgated prior to August 28, 1998; 227
  - (l) When the remaining net proceeds, as such term is used pursuant to paragraph (d) of this subdivision, in the gaming commission fund annually exceeds twenty-eight million dollars: one-half million dollars of such proceeds shall be transferred annually, subject to appropriation, to the [Missouri college guarantee] access Missouri financial assistance fund, established pursuant to the provisions of [section 173.830] sections 173.1101 to 173.1107, RSMo; three million dollars of such proceeds shall be transferred annually, subject to appropriation, to the veterans' commission capital improvement trust fund; and one million dollars of such proceeds shall be transferred annually, subject to appropriation, to the Missouri national guard trust fund created in section 41.214, RSMo.
- 239 2. Upon request by the veterans' commission, the general assembly may 240 appropriate moneys from the veterans' commission capital improvements trust 241 fund to the Missouri national guard trust fund to support the activities described

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242 in section 41.958, RSMo.

Section 1. 1. The board of regents of Northwest Missouri State
University is hereby authorized and empowered to sell, transfer, grant,
and convey all interest in fee simple absolute in property owned by the
state in Nodaway County. The property to be conveyed is more
particularly described as follows:

Commencing at the Northwest Corner Section 21, Township 64 North, Range 35 West, Nodaway County, Missouri; thence along Section line South 88 degrees 59 minutes 56 seconds East 1498.03 feet; thence South 01 degrees 26 minutes 32 seconds West 70.76 feet to the southerly right-of-way of Highway 136 and the Point of Beginning; thence along said right-of-way South 83 degrees 01 minutes 33 seconds East 161.21 feet; thence continuing along said right-of-way South 88 degrees 58 minutes 33 seconds East 203.85 feet to the easterly right-of-way of the former Norfolk and Western Railroad right-of-way; thence along said right-of-way South 28 degrees 44 minutes 21 seconds East 257.08 feet; thence North 88 degrees 32 minutes 03 seconds West 493.95 feet; thence North 01 degrees 26 minutes 32 seconds East 235.23 feet to the point of beginning except that portion lying within the abandoned Railroad right of way, Nodaway County, Missouri.

- 24 2. Consideration for the conveyance shall be negotiated by the board of regents and the purchaser of the property.
- 3. The attorney general shall approve the form of the instrument of conveyance.

[173.200. The general assembly, giving due consideration to the historical and continuing interest of the people of the state of Missouri in encouraging deserving and qualified youths to realize their aspirations for higher education, finds and declares that higher education for residents of this state who desire such an education and are properly qualified therefor is important to the welfare and security of this state and the nation, and consequently is an important public purpose. The general assembly finds and declares that the state can achieve its full economic and social

potential only if every individual has the opportunity to contribute to the full extent of his capabilities and only when financial barriers to his economic, social and educational goals are removed. It is, therefore, the policy of the general assembly and the purpose of sections 173.200 to 173.230 to establish a financial assistance program to enable qualified full-time students to receive nonreligious educational services in a public or private institution of higher education of their choice.]

[173.203. The financial assistance program established under sections 173.200 to 173.230 shall be hereafter known as the "Charles Gallagher Student Financial Assistance Program". The coordinating board and all approved private and public institutions in this state shall refer to the financial assistance program established under sections 173.200 to 173.230 as the Charles Gallagher student financial assistance program in their scholarship literature, provided that no institution shall be required to revise or amend any such literature to comply with this section prior to the date such literature would otherwise be revised, amended, reprinted or replaced in the ordinary course of such institution's business.]

[173.205. As used in sections 173.200 to 173.230, unless the context requires otherwise, the following terms mean:

- (1) "Academic year", the period from August first of any year through July thirty-first of the following year;
- (2) "Approved private institution", a nonprofit institution, dedicated to educational purposes, located in Missouri which:
- (a) Is operated privately under the control of an independent board and not directly controlled or administered by any public agency or political subdivision;
- (b) Provides a postsecondary course of instruction at least six months in length leading to or directly creditable toward a certificate or degree;
- (c) Meets the standards for accreditation as determined by either the North Central Association of Colleges and Secondary Schools or by other accrediting bodies recognized by the United States Office of Education or by utilizing accreditation standards

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applicable to nondegree-granting institutions as established by the coordinating board for higher education;

- (d) Does not discriminate in the hiring of administrators, faculty and staff or in the admission of students on the basis of race, color, religion, sex, or national origin and is in compliance with the Federal Civil Rights Acts of 1964 and 1968 and executive orders issued pursuant thereto. Sex discrimination as used herein shall not apply to admission practices of institutions offering the enrollment limited to one sex;
- (e) Permits faculty members to select textbooks without influence or pressure by any religious or sectarian source;
- (3) "Approved public institution", an educational institution located in Missouri which:
- (a) Is directly controlled or administered by a public agency or political subdivision;
- (b) Receives appropriations directly or indirectly from the general assembly for operating expenses;
- (c) Provides a postsecondary course of instruction at least six months in length leading to or directly creditable toward a degree or certificate;
- (d) Meets the standards for accreditation as determined by either the North Central Association of Colleges and Secondary Schools, or if a public junior college created pursuant to the provisions of sections 178.370 to 178.400, RSMo, meets the standards established by the coordinating board for higher education for such public junior colleges, or by other accrediting bodies recognized by the United States Office of Education or by utilizing accreditation standards applicable to the institution as established by the coordinating board for higher education;
- (e) Does not discriminate in the hiring of administrators, faculty and staff or in the admission of students on the basis of race, color, religion, sex, or national origin and is otherwise in compliance with the Federal Civil Rights Acts of 1964 and 1968 and executive orders issued pursuant thereto;
- (f) Permits faculty members to select textbooks without influence or pressure by any religious or sectarian source;

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- (4) "Coordinating board", the coordinating board for higher education:
  - (5) "Financial assistance", an amount of money paid by the state of Missouri to a qualified applicant pursuant to sections 173.200 to 173.230;
  - (6) "Financial need", the difference between the financial resources available to an applicant, as determined by the coordinating board, and the applicant's anticipated expenses, including tuition, mandatory fees, and board and room while attending an approved private or public institution of postsecondary education. In determining need the coordinating board shall employ a formula similar to nationally recognized comprehensive mechanisms for determining need, such as those of the American College Testing Program or the College Scholarship Service;
  - (7) "Full-time student", an individual who is enrolled in and is carrying sufficient number of credit hours or their equivalent at an approved private or public institution to secure the degree or certificate toward which he is working in no more than the number of semesters or their equivalent normally required by that institution in the program in which the individual is enrolled.]

[173.210. The coordinating board shall the administrative agency for the implementation of the program established by sections 173.200 to 173.235. The coordinating board shall promulgate reasonable rules and regulations for the exercise of its functions and the effectuation of the purposes of sections 173.200 to 173.235. It shall prescribe the form and the time and method of filing applications and supervise the processing thereof. The coordinating board shall determine the criteria for eligibility of applicants and shall evaluate each applicant's financial need. It shall select qualified recipients to receive financial assistance, make such awards of financial assistance to qualified recipients and determine the manner and method of payment to the recipient. The coordinating board shall determine eligibility for renewed assistance on the basis of annual applications and annual evaluations of financial needs, giving

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priority to renewal applicants over new applicants in dispensing available funds in a given year. In awarding renewal grants, the coordinating board may increase or decrease the amount of financial assistance to an applicant if such action is warranted by a change in the financial condition of the applicant, his spouse or parents or the availability of funds for that year. As a condition to consideration for initial or renewed assistance, the coordinating board may require the applicant, his spouse and parents to execute forms of consent authorizing the director of revenue of Missouri to compare financial information submitted by the applicant with the Missouri individual income tax returns of the applicant, his spouse and parents for the taxable year immediately preceding the year for which application is made, and to report any discrepancies to the coordinating board.]

[173.215. 1. An applicant shall be eligible for initial or renewed financial assistance only if, at the time of his application and throughout the period during which he is receiving such assistance, he

- (1) Is a citizen or a permanent resident of the United States;
- (2) Is a resident of the state of Missouri, as determined by reference to standards promulgated by the coordinating board;
- (3) Is enrolled, or has been accepted for enrollment, as a full-time undergraduate student in an approved private or public institution;
  - (4) Establishes that he has financial need;
- (5) Has never been convicted in any court of an offense which involved the use of force, disruption or seizure of property under the control of any institution of higher education to prevent officials or students in such institutions from engaging in their duties or pursuing their studies; and
- (6) No award shall be made under sections 173.200 to 173.230 to any applicant who is enrolled, or who intends to use the award to enroll, in a course of study leading to a degree in theology or divinity.
  - 2. Financial assistance shall be allotted for one academic

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year, but a recipient shall be eligible for renewed assistance until he has obtained a baccalaureate degree, provided such financial assistance shall not exceed a total of ten semesters or fifteen quarters or their equivalent. Standards of eligibility for renewed assistance shall be the same as for an initial award of financial assistance.]

[173.220. An applicant who is enrolled or has been accepted for enrollment as an undergraduate postsecondary student at an approved private or public institution after August 13, 1979, and who meets the other eligibility criteria shall be entitled to financial assistance based primarily on his financial need and to the extent of his financial need as determined by the coordinating board, except that effective August 1, 1980, the amount of such grant shall not exceed the least of:

- (1) The applicant's demonstrated financial need as determined by the coordinating board; or
- (2) One-half the tuition and mandatory fee charges in effect the prior academic year at the approved institution the applicant plans to attend; or
- (3) Fifteen hundred dollars; and until that date the grant shall not exceed the least of:
- (1) The applicant's demonstrated financial need as determined by the coordinating board; or
- (2) One-half the fall 1971 tuition and mandatory fee charges at the approved institution the applicant plans to attend; or

## (3) Nine hundred dollars.]

[173.225. If an applicant is granted financial assistance under any other student aid program, public or private, the full amount of such aid shall be reported to the coordinating board by the institution and the recipient.]

[173.230. A recipient of financial assistance may transfer from one approved public or private institution to another without losing his eligibility for assistance under sections 173.200 to 173.230, but the coordinating board shall make any necessary adjustments in the amount of his award. If a recipient of financial

assistance at any time withdraws from an approved private or public institution so that under the rules and regulations of that institution he is entitled to a refund of any tuition, fees, or other charges, the institution shall pay the portion of the refund to which he may be entitled attributable to the state grant for that term to the coordinating board.

[173.810. 1. There is hereby established the "Missouri College Guarantee Program" which, from funds dedicated pursuant to subsection 3 of section 313.835, RSMo, shall provide scholarships for Missouri citizens to attend a Missouri college, university or vocational or technical school of their choice.

2. The definitions of terms set forth in section 173.205, shall be applicable to such terms as used in sections 173.810 to 173.827, except that for purposes of calculating financial need, the calculated cost of attendance shall not exceed the average calculated cost of attendance at the campus of the University of Missouri which has the largest total enrollment, as determined by the coordinating board; and the amount of book expenses shall not exceed the book allowance established for this program by the coordinating board. The term "scholarship" means an amount of money paid by the state of Missouri to a qualified college, university or vocational or technical school student who has qualified for a scholarship pursuant to the provisions of sections 173.810 to 173.827.]

[173.813. The coordinating board for higher education shall be the administrative agency for the implementation of the program established by sections 173.810 to 173.827, and shall:

- (1) Promulgate reasonable rules necessary to implement sections 173.810 to 173.827, including rules for granting scholarship deferments;
- (2) Implement the form, schedule and method of awarding scholarships as prescribed by the board established pursuant to section 173.816, and shall supervise the processing of scholarships at the direction of such board; and
- (3) Select qualified recipients to receive scholarships, make such awards of scholarships to qualified recipients and determine

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the manner and method of payment to the recipient.]

[173.816. There is hereby created the "Missouri College Guarantee Board" consisting of the state commissioner of elementary and secondary education, two members of the state board of education selected by the president of such board, the state commissioner of higher education and one member of the coordinating board for higher education selected by the president of such board. Board members from the state board of education and the coordinating board for higher education shall serve three-year terms provided that one of the initial members from the state board of education shall be designated by the president of that board to serve a term of one year and the initial member from the coordinating board for higher education shall serve a two-year term. The board shall oversee the Missouri college guarantee program and shall meet at least annually to receive a report from the coordinating board for higher education on program performance. The board, unless otherwise provided in sections 173.810 to 173.827, shall, by majority vote, establish the amount, form, schedule, eligibility and method of awarding scholarships pursuant to sections 173.810 to 173.827.]

[173.820. 1. A student shall be eligible for an initial or renewed scholarship if such student is in compliance with the eligibility requirements set forth in section 173.215, and in addition meets the following requirements:

- (1) Has a cumulative grade point average of at least two and one-half on a four-point scale or equivalent on the student's high school core curriculum and has completed a high school curriculum satisfying the coordinating board's requirements for a college preparatory or technical preparatory curriculum;
- (2) Has received a score of twenty or higher on the general American College Test (ACT) or a composite verbal and math score of nine hundred and fifty or higher on the Scholastic Aptitude Test (SAT);
- (3) Has not been convicted of or pled guilty to any criminal offense or been adjudicated to have committed an offense which would constitute a criminal offense if committed by an adult;

- (4) Has substantially participated in extracurricular activities, as determined by the coordinating board; and
  - (5) For the purpose of renewal, remains in compliance with the applicable provisions of section 173.215, and makes satisfactory academic degree progress as a full-time student.
  - 2. (1) A student seeking a scholarship pursuant to sections 173.810 to 173.827 shall maintain a cumulative grade point average (GPA) of at least two point five on a four-point scale, or the equivalent on another scale approved by the program administrator while attending the approved public or private institution.
  - (2) If the grade point average of a member who is receiving educational assistance pursuant to sections 173.810 to 173.827 falls below two point five on a four-point scale, or the equivalent on another scale, such member shall retain the educational assistance and shall be placed on probation under the educational assistance program. Failure to achieve a current grade point average of at least two point five on a four-point scale, or the equivalent on another scale for future semesters or equivalent academic terms shall result in termination of the scholarship effective as of the next academic term. The member shall be removed from probation status upon achieving a cumulative grade point average of two point five on a four-point scale or the equivalent on another scale.
  - 3. Scholarships shall be offered beginning for any academic term beginning within twenty-four months following the date of graduation from high school to Missouri high school graduates who meet the requirements of subsection 1 of this section. The scholarship shall be applicable toward payment for tuition and other fees and the costs of books and other education-related expenses. The amount of the scholarship, regardless of the institution attended, shall not exceed the current average cost of tuition and fees at the campus of the University of Missouri which has the largest total enrollment, as determined by the coordinating board, and a book allowance as determined by the coordinating board.
  - 4. The amount of scholarship provided under sections 173.810 to 173.827 shall be based upon financial need as

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determined under sections 173.810 to 173.827, shall be subject to the maximum amount established in subsection 2 of this section and shall be further reduced by the amount of any nonloan need-based federal financial aid, all other nonloan need-based assistance received by or on behalf of the student pursuant to other provisions of this chapter and any other nonloan need-based state financial aid which aid or assistance may be used for the purposes established pursuant to subsection 2 of this section for scholarships granted pursuant to sections 173.810 to 173.827.

- 5. A student who is enrolled or has been accepted for enrollment as a postsecondary student at an approved private or public institution beginning with the fall 1999 term and who meets the other eligibility requirements for a scholarship pursuant to sections 173.810 to 173.827 shall, within the limits of the funds appropriated and made available, be offered a scholarship for the first academic year of study as provided in sections 173.810 to 173.827. Such scholarship shall be renewable in like amount annually for the second, third, fourth and fifth academic years, or as long as the recipient is in compliance with the applicable eligibility requirements set forth in section 173.215, provided such years of study are continuous and the student continues to meet eligibility requirements for the scholarship. If a recipient ceases all attendance at an approved public or private institution for the purpose of providing service to a nonprofit organization, a state or federal government agency or any branch of the armed forces of the United States, the recipient shall be eligible for a renewal scholarship upon return to any approved public or private institution, provided the recipient:
  - (1) Returns to full-time status within twenty-seven months;
- (2) Provides verification, in compliance with rules of the coordinating board, that the service to the nonprofit organization was satisfactorily completed and was not compensated other than for expenses or that the service to the state or federal governmental agency or branch of the armed forces of the United States was satisfactorily completed; and
  - (3) Meets all other requirements established for eligibility

to receive a renewal scholarship.]

[173.825. 1. A recipient of a scholarship awarded pursuant to sections 173.810 to 173.827 may transfer from one approved Missouri public or private institution to another without losing eligibility for the scholarship. If a recipient of the scholarship at any time withdraws from an approved private or public institution so that under the rules and regulations of that institution such recipient is entitled to a refund of any tuition, fees or other charges, the institution shall pay the portion of the refund attributable to the scholarship for that term to the coordinating board for higher education.

- 2. Other provisions of sections 173.810 to 173.827 to the contrary notwithstanding, if a recipient has been awarded an initial scholarship pursuant to the provisions of sections 173.810 to 173.827 but is unable to use the scholarship during the first academic year because of illness, disability, pregnancy or other medical need or if a recipient ceases all attendance at an approved public or private institution because of illness, disability, pregnancy or other medical need, the recipient shall be eligible for an initial or renewal scholarship upon enrollment in or return to any approved public or private institution, provided the recipient:
- (1) Enrolls in or returns to full-time status within twenty-seven months;
- (2) Provides verification of sufficient medical evidence documenting an illness, disability, pregnancy or other medical need of such person to require that the person will not be able to use the initial or renewal scholarship during the time period for which it was originally offered; and
- (3) Meets all other requirements established for eligibility to receive an initial or a renewal scholarship.]

[173.827. Upon recommendation of the coordinating board, funds may be appropriated from the Missouri college guarantee fund for distribution by the coordinating board as grants to any approved public and private institution which submits an application demonstrating how the institution will establish and operate a mentoring program which ensures that at-risk students

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receiving scholarships pursuant to sections 173.810 to 173.827 have a positive educational experience at the institution.

[173.830. The "Missouri College Guarantee Fund" is hereby established in the state treasury. The state treasurer shall administer the fund, and the moneys in the fund shall be used solely by the coordinating board for higher education pursuant to sections 173.810 to 173.827 for the awarding of scholarships to eligible students and for other purposes specified pursuant to sections 173.810 to 173.827; provided that moneys in the fund may be used to fund graduate study scholarships provided pursuant to section 173.727. Any interest which accrues to the fund shall remain in the fund and shall be used in the same manner as moneys which are transferred to the fund. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, moneys in the Missouri college guarantee fund at the end of any biennium shall not be transferred to the credit of the general revenue fund.]



